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Mexico

Mexico notified the United States on December 13, 1999, that it would resume importing beef and poultry from 17 U.S. processing plants after banning food from these plants three weeks earlier. The plants consisted of 9 poultry and 8 red meat plants. The reinstatement is only temporary until January 31, 2000.

Dr. Fernando Contreras of the Mexican Department of Agriculture (SAGAR) has proposed a bilateral working group to meet in early January to discuss equivalency of the inspection systems of both governments and to review the discrepancies cited by the Mexican inspectors.

Source: USA Poultry and Egg Export Council

European Union

The European Union (EU) has come under increased pressure to restore consumer confidence in public food safety controls. The health scares causing the decline in consumer confidence have ranged from the mad cow disease in the mid-1990s to the Belgium dioxin affair.

Recently, consumers in the United Kingdom (UK) have become concerned about the EU's labeling requirements and the inspection of plants in both non EU member countries that are approved to export to the EU and in processing plants within the EU.

The consumers, in an effort to support a boycott on French goods and support their own farmers, found imports hard to identify without reading the small print on the labels. The UK's farmers want clearer labeling so that people can better identify imports and clamp down on foreign producers, both from countries within and outside the EU.

Labeling became an issue in the UK when farmers found out that stores who had claimed to be in the fore front of the campaign to support British producers were found to be stocking French turkeys for Christmas. The average farm gate price for live turkeys has declined over the last two years while production has dropped from 40 million to 24 million head in the UK. The poultry industry does not receive any of the subsidies enjoyed by the crop and cattle industry.

Imports from other countries have become more common because retail buyers in the UK have claimed they are cheaper and sometimes supplies are difficult to obtain from within the UK.

Recently, renewed concerns about food safety and the quality of product produced have arisen in response to reports of poultry feed possibly having contained animal and human sewage in France. The retail buyers have tried to soothe any concerns expressed by the consumer over the quality of the product produced in France.

The issue of food safety in the United Kingdom and the European Union has spilled out to affect the countries whom export to the EU. These countries need the European Union stamp of approval. The stamp implies the animals have been raised and slaughtered according to strict Brussels rules on hygiene and welfare. Some of these countries include Brazil, China and Thailand.

Broiler imports from Brazil and Thailand have grown rapidly over the last several years into the UK and are up to 50% cheaper than product produced in the UK resulting in concerns over the quality of the product produced in those countries. Chicken from Thailand imported into the UK last year was 13,886 metric ton and is expected to increase to 22,000 metric tons for 1999.

The UK's Ministry of Agriculture, Fisheries and Food (MAFF), after trying to get the EU to do an inspection of Thailand, did their own inspection. The inspection found enough evidence to justify an official EU mission from December 6-17, 1999 to inspect 20 poultry houses and randomly inspect 35 other processing facilities.

The Thai Poultry industry is taking the inspection seriously since the proportion of the poultry exported to the EU has increased from 1% in 1988 to 28% in 1998 or an estimated value of 27 billion baht. Some companies have spent 80 million baht to upgrade their facilities.

The EU has already inspected factories in Brazil and China. Brazil was approved to export to the EU because 10 out of 30 plants passed inspection and 6 needed minor adjustments. Fifty percent of the factories inspected must pass inspection, otherwise, the whole country will not be able to export to the EU. Chinese factories did not meet the EU's production standards, as a result, they were not approved to export to the EU.

In an effort to regain the consumer's trust in food safety, EU scientists have proposed a food safety agency similar in scope to the U.S. Food and Drug Administration (FDA). The scientists, however, fell short of recommending giving the body the same regulatory powers enjoyed by the FDA, except EU wide. Some hope the new agency would limit the occurrence of potentially damaging trade disputes like the one between France and Great Britain over beef.

***Sources: Bangkok Post, CNN, and various sources

Inspected Egg Products-U.S. & Canada Export/Import Trade
U.S. Exports to Canada, in Pounds (Preliminary)

| | Week Ending December 18, 1999 | | Year-To-Date | |
|--------|-------------------------------|--------|--------------|--------|
| | (000) | | (000) | |
| Type | 1999 | 1998/1 | 1999 | 1998 |
| Liquid | 320 | 333 | 13,052 | 14,633 |
| Frozen | 0 | 0 | 6 | 50 |
| Dried | 0 | 32 | 644 | 740 |
| Total | 320 | 365 | 13,702 | 15,423 |

U.S. Imports From Canada, in Pounds (Preliminary)

| | Week Ending December 18, 1999 | | Year-To-Date | |
|--------|-------------------------------|--------|--------------|-------|
| | (000) | | (000) | |
| Type | 1999 | 1998/1 | 1999 | 1998 |
| Liquid | 31 | 0 | 4,487 | 3,932 |
| Frozen | 3 | 0 | 609 | 215 |
| Dried | 0 | 0 | 310 | 235 |
| Total | 34 | 0 | 5,406 | 4,382 |

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

| | Week Ending December 18, 1999 | | Year-To-Date | |
|-------------|-------------------------------|--------|--------------|---------|
| | 1999 | 1998/1 | 1999 | 1998 |
| Jumbo | 950 | 0 | 2,368 | 1,399 |
| Extra Large | 1,850 | 1,917 | 44,412 | 39,019 |
| Large | 6,575 | 5,670 | 153,423 | 136,182 |
| Medium | 240 | 2,904 | 53,196 | 67,655 |
| Ungraded | 12,770 | 6,600 | 624,383 | 368,993 |
| Misc | 0 | 0 | 11,622 | 9,117 |
| Total | 22,385 | 17,091 | 889,404 | 622,365 |

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

CENTRAL REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 24-DEC-99

CHICKEN PRICES

| | -----FROZEN----- | | -----FRESH----- | |
|-------------|------------------|-----------|-----------------|-----------|
| | FOB DOCK | DELIVERED | FOB DOCK | DELIVERED |
| FAT | | | | |
| CONTENT | | | | |
| 15% OR LESS | | | | |
| RANGE | - | - | - | - |
| WTD AVERAGE | | | | |

0 pounds, this includes 0 pounds for export shipment.

CHICKEN PRICES, WITH ADDED SKIN

| | | | | |
|---|-------------|-------|-------------|-------------|
| 15% OR LESS | | | | |
| RANGE | - | 20.00 | 13.00-15.00 | - |
| WTD AVERAGE | | 20.00 | 13.93 | |
| 116,200 pounds, this includes 0 pounds for export shipment. | | | | |
| 15-20% | | | | |
| RANGE | 15.00-16.00 | - | 9.00-14.50 | 12.50-16.00 |
| WTD AVERAGE | 15.75 | | 11.50 | 13.53 |
| 1,734,000 pounds, this includes 897,600 pounds for export shipment. | | | | |
| 20% OR MORE | | | | |
| RANGE | - | - | - | - |
| WTD AVERAGE | | | | |

0 pounds, this includes 0 pounds for export shipment.

* INCLUDES THE FOLLOWING STATES: AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

LIVE POULTRY SLTRD UNDER INSPECTION W/E 18-DEC-99 (PRELIMINARY)**U.S. FOWL SLAUGHTERED DOMESTICALLY**

| | LIGHT | HEAVY | TOTAL |
|------------------|-----------|--------|---------|
| | THOUSANDS | | |
| HEAD | 2,594 | 2,544 | 5,138 |
| LAST WEEK | 2,167 | 1,425 | 3,592 |
| SAME WEEK YR AGO | 2,562 | 1,395 | 3,957 |
| TO-DATE/1999 | 103,480 | 71,715 | 175,195 |
| TO-DATE/1998 | 101,368 | 63,072 | 164,440 |

U.S. FOWL SLAUGHTERED IN CANADA

| | LIGHT HENS | HEAVY HENS | TOTAL HENS |
|------------------|------------|------------|------------|
| | THOUSANDS | | |
| HEAD | 19 | 0 | 19 |
| LAST WEEK | 488 | 0 | 488 |
| SAME WEEK YR AGO | 343 | 14 | 357 |
| TO-DATE/1999 | 22,335 | 264 | 22,599 |
| TO-DATE/1998 | 24,353 | 352 | 24,705 |

SOURCE: AGRICULTURE CANADA, POULTRY DEVELOPMENT DIVISION

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

| | LIGHT HENS | HEAVY HENS | TOTAL HENS |
|------------------|------------|------------|------------|
| | THOUSANDS | | |
| HEAD | 2,613 | 2,544 | 5,157 |
| LAST WEEK | 2,655 | 1,425 | 4,080 |
| SAME WEEK YR AGO | 2,905 | 1,409 | 4,314 |
| TO-DATE/1999 | 125,815 | 71,979 | 197,794 |
| TO-DATE/1998 | 125,721 | 63,424 | 189,145 |

EASTERN REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 24-DEC-99

CHICKEN PRICES

| | -----FROZEN----- | | -----FRESH----- | |
|-------------|------------------|-----------|-----------------|-----------|
| | FOB DOCK | DELIVERED | FOB DOCK | DELIVERED |
| FAT | | | | |
| CONTENT | | | | |
| 15% OR LESS | | | | |
| RANGE | 19.00-20.00 | - | 17.00 | - |
| WTD AVERAGE | 19.50 | | 17.00 | |

280,000 pounds, this includes 0 pounds for export shipment.

CHICKEN PRICES, WITH ADDED SKIN

| | | | | |
|---|---|---|-------|-------------|
| 15% OR LESS | | | | |
| RANGE | - | - | - | 16.00 |
| WTD AVERAGE | | | | 16.00 |
| 120,000 pounds, this includes 0 pounds for export shipment. | | | | |
| 15-20% | | | | |
| RANGE | - | - | 11.00 | 13.50-13.75 |
| WTD AVERAGE | | | 11.00 | 13.63 |
| 120,000 pounds, this includes 0 pounds for export shipment. | | | | |

20% OR MORE

| | | | | |
|-------------|-------|---|-------|---|
| RANGE | 14.50 | - | 14.00 | - |
| WTD AVERAGE | 14.50 | | 14.00 | |

120,000 pounds, this includes 0 pounds for export shipment.

* INCLUDES THE FOLLOWING STATES: CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT

FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS

THURSDAY DECEMBER 23, 1999

Undertone steady at best on 4-8 lb. breasts, steady to weak on institutional breasts, generally steady on tom breast meat with some spot premiums noted on shipments during the holiday weeks. Demand and trading seasonally slow due to the holidays. Offerings mixed. Tails (1 load) 13.50, fresh wing meat with skin (1.50 loads) 51-52 cents delivered.

| |
|--|
| FRIDAY, DECEMBER 24, 1999 HOLIDAY |
|--|

THURSDAY, DECEMBER 23, 1999**EXPORT TRADING**

| | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) | WEEKLY WTD AVG PRICE | WEEKLY VOLUME (000) |
|---------------------------|-------------|----------------|---------------|--------------|----------------------|---------------------|
| DRUMSTICKS, TOMS | 28.00-30.00 | | 29.00 | 120 | 29.00 | 120 |
| WINGS FULL-CUT - TOMS | | M | 29.50 | 40 | 29.50 | 40 |
| WINGS, V-TYPE, TOM | | | | | | |
| TAILS | | W | 15.00 | 104 | 15.00 | 104 |
| MECHANICALLY SEPARATED 4/ | | W | 19.00 | 216 | 19.81 | 296 |
| THIGH MEAT - FROZEN | 70.00 | | 70.00 | 40 | 70.00 | 40 |

WEDNESDAY, DECEMBER 22, 1999**EXPORT TRADING**

| | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|---------------------------|-------------|----------------|---------------|--------------|
| DRUMSTICKS, TOMS | | F | 32.00 | 80 |
| WINGS FULL-CUT - TOMS | | M | 29.50 | 40 |
| WINGS, V-TYPE, TOM | | W | 22.00 | 312 |
| TAILS | 15.00 | | 15.00 | 104 |
| MECHANICALLY SEPARATED 4/ | 19.00 | | 19.00 | 216 |
| THIGH MEAT - FROZEN | | R | 74.09 | 440 |

TUESDAY, DECEMBER 21, 1999**EXPORT TRADING**

| | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|---------------------------|-------------|----------------|---------------|--------------|
| DRUMSTICKS, TOMS | | F | 32.00 | 80 |
| WINGS FULL-CUT - TOMS | | M | 29.50 | 40 |
| WINGS, V-TYPE, TOM | | W | 22.00 | 312 |
| TAILS | | F | 14.00 | 20 |
| MECHANICALLY SEPARATED 4/ | 22.00 | | 22.00 | 80 |
| THIGH MEAT - FROZEN | | R | 74.09 | 440 |

MONDAY, DECEMBER 20, 1999**EXPORT TRADING**

| | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|---------------------------|-------------|----------------|---------------|--------------|
| DRUMSTICKS, TOMS | | F | 32.00 | 80 |
| WINGS FULL-CUT - TOMS | 29.50 | | 29.50 | 40 |
| WINGS, V-TYPE, TOM | | W | 22.00 | 312 |
| TAILS | | F | 14.00 | 20 |
| MECHANICALLY SEPARATED 4/ | | R | 22.00 | 104 |
| THIGH MEAT - FROZEN | | R | 74.09 | 440 |

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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